

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Oversee
the Resource Adequacy Program, Consider
Program Refinements, and Establish
Annual Local and Flexible Procurement
Obligations for the 2016 and 2017
Compliance Years.

Rulemaking 14-10-010
(Filed October 16, 2014)

**COMMENTS OF SAN DIEGO GAS & ELECTRIC (U902E) ON WORKSHOP,
WORKSHOP REPORT, AND TRACK 2 ISSUES**

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WORKSHOP REPORT, AND TRACK 2 ISSUES**

San Diego Gas & Electric Company (“SDG&E”) hereby submits its Comments on Workshop, Workshop Report, and Track 2 Issues pursuant to the Administrative Law Judge’s E-mail Rulings issued April 29, 2016 and June 1, 2016. SDG&E appreciates the opportunity to submit these Comments.

**I. THE WORKSHOP DEMONSTRATES THAT THERE IS NOT SUFFICIENT
CONSENSUS OR RECORD SUPPORT FOR CONTINUING THE FLEXIBLE
RESOURCE ADEQUACY REQUIREMENT IN ITS CURRENT FORM**

Based on presentations made during the workshop, SDG&E does not believe there is sufficient consensus by parties or record in the proceeding to continue the flexible Resource Adequacy (RA) requirement in its current form. Presenters agree that there is a need for ramping capability; however changes to the system level generation portfolio over the last few years may have resulted in the applicable time and duration during which ramping resources are required to no longer be measured within the currently defined three hours. SDG&E recommends the Commission establish additional workshops to allow parties to review the experience gained from the current Flexible RA framework, analyze projected net load ramps and define the need the Commission must solve. Once the need is defined, parties can review whether or not the existing products may need to be changed to help solve the need. SDG&E is not suggesting that

the current defined need is no longer applicable; rather, parties presented details or proposals that garner further study.

Specifically, the CAISO presented the fact that the one-hour ramps are increasingly becoming the largest portion of the three hour ramp, the magnitude of the secondary net-load ramps are decreasing, and that the growth and corresponding output of behind-the-meter photovoltaic (PV) solar systems has increased dramatically compared to the amount of PV systems modeled in the 2016 Flexible Capacity Technical Needs Assessment. SDG&E believes additional study time is necessary to review similar study results for future years. If the one-hour ramp over shadows the three-hour ramp, perhaps the need should focus to the former rather than the latter.

SDG&E also points out that an increasing number of contracts with renewable resources are being written to contain curtailment provisions. SDG&E believes such contract provisions should be included into the design of the flexible RA needs determination methodology.

Once parties reach consensus on the need determination methodology, parties should then review to what extent the then existing fleet of resources may provide solutions to the identified needs. Both Energy Division and SCE presented various options on how to develop a new determination methodology during the April 5, 2016 workshop, but these presentations lack sufficient details for SDG&E to support at this time. SDG&E supports additional discussion for Track 2 in order to establish a durable flexible product. The Commission should also consider the impact of CAISO regionalization on the flexible RA framework.

II. CONCLUSION

SDG&E appreciates the opportunity to submit the forgoing comments herein.

Dated: June 29, 2016

San Diego Gas & Electric Company

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